

## Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AGR-05

IO-10 OMB-01 SAM-01 AID-05 STR-04 CIEP-01 TRSE-00

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R 160740Z JUN 75  
FM AMEMBASSY KUALA LUMPUR  
TO SECSTATE WASHDC 203  
INFO AMEMBASSY JAKARTA  
AMEMBASSY SINGAPORE  
CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 KUALA LUMPUR 3357

CINCPAC FOR POLAD

E.O. 11652: GDS  
TAGS: PINT PGOV MY  
SUBJ: UMNO CONGRESS FORECAST

REF: KL 3027

1. SUMMARY AND INTRODUCTION: UNITED MALAYS NATIONAL ORGANIZATION (UMNO), DOMINANT FORCE IN NATIONAL FRONT GOVERNMENT OF PRIME MINISTER RAZAK, WILL HOLD ANNUAL CONGRESS AND TRIENNIAL ELECTIONS ON JUNE 21-22. UMNO YOUTH AND WOMEN'S WINGS WILL HOLD ANNUAL CONCLAVES (LEADERSHIP ELECTIONS WERE HELD LAST YEAR) ON JUNE 20. MOST SIGNIFICANT EVENT WILL BE ELECTION OF THREE PARTY VICE-PRESIDENTS; AT THIS JUNCTURE, SELANGOR CHIEF MINISTER DATUK HARUN IDRIS, PETRONAS CHAIRMAN TENGKU RAZALEIGH HAMZAH, AND AGRICULTURE AND RURAL DEVELOPMENT MINISTER ABDUL GHAFAR BABA APPEAR TO BE FRONT-RUNNERS, ALTHOUGH JOHORE UMNO LEADER TAN SRI SYED JAAFAR ALBAR IS WAGING STRONG SPOILING ACTION AGAINST RAZALEIGH AND OTHER RAZAK-BACKED MEN. THUS, RAZAK IN NEXT THREE YEARS MAY HAVE TO WORK WITH TOP PARTY

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OFFICIALS, ESPECIALLY HARUN AND JAAFAR, WHO ARE NOT

COMPLETELY LOYAL TO HIM. ALSO, UPCOMING CONGRESS WILL VOTE IN NEW 25-MEMBER SUPREME COUNCIL, COMPOSITION OF WHICH WILL BE IMPORTANT IN OVERALL DIRECTION OF PARTY AFFAIRS.

2. APART FROM ELECTIONS, CONGRESS IS ANNUAL OPPORTUNITY FOR RANK-AND-FILE (OVER 1,000 DELEGATES WILL ATTEND) TO LET OFF STEAM. IT IS PROBABLE THAT GOVERNMENT AND PARTY LEADERS WILL BE ABLE TO FEND OFF SEVERE CRITICISMS, BUT TONE OF DEBATES MAY BE SLIGHTLY MORE NATIONALISTIC THAN IN PAST. PARTY MEMBERS ARE LIKELY TO CRITICIZE GOVERNMENT OVER SLOW PACE OF DEVELOPMENT PROJECTS, ESPECIALLY IN RURAL AREAS, GROWING DISPARITIES IN DISTRIBUTION OF WEALTH IN MALAY COMMUNITY, AND PERHAPS (SOTTO VOCE) CURRUPTION. NATIONALISTIC ECONOMIC POLICIES OF GOVERNMENT (E.G., PETROLEUM ACT AMENDMENT) ARE LIKELY TO BE APPLAUDED, AND RANK-AND-FILE MAY DEMAND EVEN MORE STRINGENT MEASURES. FOREIGN POLICY ISSUES WILL TAKE BACK SEAT, ALTHOUGH SOME VOICES MAY BE RAISED IN DEFENSE OF MALAYSIAN CONTROL OF MALACCA STRAIT, AND THERE MAY BE SOME CRITICISM OF GOM'S RAPPROCHEMENT WITH PRC; ALSO, THERE LIKELY TO BE SOME NEEDLING OF SINGAPORE AS USUAL. IN ALL, TREND IN PARTY SEEMS TO BE TOWARD NATIONALISM, A FACTOR THAT WILL HAVE TO BE TAKEN INTO ACCOUNT IN FUTURE GOM POLICIES AND PROGRAMS. END SUMMARY.

#### ISSUES

3. MULTIRACIAL COOPERATION: BASIC UMNO POLICY OF COOPERATION WITH CHINESE-BASED PARTIES IN NATIONAL FRONT WILL NOT BE DISRUPTED, ALTHOUGH A FEW BOLD DELEGATES MAY SUGGEST THAT MALAYS ARE NOW ABLE TO RUN COUNTRY ALONE. MORE THAN LIKELY, RISING EXPECTATIONS IN MALAY COMMUNITY, COMBINED WITH MUSCLE-FLEXING OF EMERGING MALAY ELITE, WILL PROBABLY LEAD UMNO DELEGATES TO DEMAND THAT GOVT BE MORE EFFICIENT AND RESPONSIVE IN "DELIVERING THE GOODS" TO THE MALAY COMMON MAN BY FURTHER INTENSIFICATION OF PRO-BUMIPUTRA ECONOMIC, SOCIAL AND EDUCATIONAL PROGRAMS.

4. PARTY DEMOCRACY: CONSIDERABLE CRITICISM HAS BEEN HEARD

IN RECENT WEEKS OF CONTROL OF PARTY BY "SLICK YOUNG MEN"  
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AROUND RAZAK, PARTICULARLY DATUK ABDULLAH AHMAD WHO IS DEPUTY MINISTER IN PM'S DEPARTMENT. JAAFAR ALBAR, IN CAMPAIGN FOR PARTY VICE-PRESIDENCY (SEE BELOW), HAS CALLED FOR MORE "DEMOCRACY" AND LESS CENTRALIZATION IN PARTY AFFAIRS; THIS INITIATIVE HAS BEEN ESPECIALLY POPULAR WITH UMNO YOUTH AND MORE CHAUVINIST/CONSERVATIVE MEMBERS WHO ARE DISSATISFIED WITH RAZAK'S PENCHANT FOR BACK-ROOM DEALINGS AND COMPROMISE POLITICS. IN ADDITION TO DESIRE

OF PARTY MEMBERS TO BE ABLE TO SPEAK THEIR MINDS FREELY,  
THERE IS ALSO RESENTMENT AGAINST MANAGEMENT OF PARTY AFFAIRS  
BY YOUNG, EDUCATED MEN, SOME OF WHOM HAVE NOT WORKED THEIR  
WAY UP IN PARTY RANKS. WHILE THIS CRITICISM IS NOT LPLYELY  
TO THREATEN RAZAK HIMSELF, THERE MAY BE CASUALTIES AMONG  
HIS CLOSEST AIDES.

5. ECONOMICS: RECENT ECONOMIC MEASURES, ESPECIALLY ANTI-  
FOREIGN PETROLEUM ACT AMENDMENT, SEEMINGLY ANTI-CHINESE  
AND ANTI-FOREIGN INDUSTRIAL COORDINATION AOTT,  
ATTEMPTED HAW PAR TAKEOVER, AND MORE STRINGENT LEGISLATION ON  
SHIPPING AND INSURANCE INDUSTRIES, HAVE MET WITH WIDE APPROVAL  
AMONG INCREASINGLY NATIONALISTIC AND ECONOMICALLY-AWARE MALAYS.  
UMNO CONGRESS DELEGATES ARE LIKELY TO CALL FOR MORE OF  
THE SAME, ESPECIALLY URGING GOVT TO SPEED UP ACHIEVEMENT  
OF 30 PERCENT MALAY OWNERSHIP OF ECONOMY AND ULTIMATELY  
70 PERCENT MALAYSIAN CONTROL. ALSO, GOVT WILL BE  
CRITICIZED FOR SLOW IMPLEMENTATION OF DEVELOPMENT PROJECTS,  
ESPECIALLY IN RURAL AREAS, AND THERE IS LIKELY TO BE STRONG  
SENTIMENT FOR GOM-GUARANTEED PRICES FOR RUBBER AND OTHER  
PRIMARY COMMODITIES. AT SAME TIME, GOM WILL BE ABLE TO  
POINT TO RECENT RETAIL PRICE ROLLBACKS ON SUGAR, FLOUR AND  
SEVERAL OTHER ITEMS AS PROOF OFRTS CONCERN FOR LOWER  
CLASS CONSUMERS.

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ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-10

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EB-07 /090 W

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R 160740Z JUN 75

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 204

INFO AMEMBASSY JAKARTA

AMEMBASSY SINGAPORE

CINCPAC

C O N F I D E N T I A L SECTION 2 OF 2 KUALA LUMPUR 3357

CINCPAC FOR POLAD

6. FOREIGN POLICY: WHILE GOM LEADERS WILL DWELL AT LENGTH ON GOM'S FOREIGN POLICY ACHIEVEMENTS IN THEIR ADDRESSES TO CONGRESS, THESE ISSUES ARE NOT LIKELY TO FIGURE PROMINENTLY IN DELEGATES' PLEADINGS. SOME VOICES MAY BE RAISED TO DEFEND GOM POSITION ON MALACCA STRAIT CONTROL (ESPECIALLY IN CONNECTION WITH PROTECTION OF INSHORE FISHING INDUSTRY), AND TO NEEDLE SINGAPORE OVER CAUSEWAY AND TRADE PROBLEMS. ALSO, JAAFAR ALBAR AND FORMER PM TUNKU ABDUL RAHMAN (KL 2861) HAVE OBJECTED TO GOM'S CONCILIATORY POLICIES TOWARD PRC AND, BY IMPLICATION, TO DOMESTIC COMMUNISTS AND LEFTISTS. THEY MAY BE ABLE TO MUSTER SUPPORT FOR MORE SKEPTICAL LINE TOWARD COMMUNISTS, PLAYING UPON TRADITIONAL MALAY ANTI-COMMUNIST AND ANTI-CHINESE FEELINGS.

ELECTIONS

7. SIGNIFICANCE: PM RAZAK AND DEPUTY PM HUSSEIN ONN WILL BE RETURNED UNOPPOSED AS UMNO PRESIDENT AND DEPUTY PRESIDENT RESPECTIVELY. THE THREE VICE-PRESIDENTS  
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ELECTED AT THIS CONGRESS WILL BE LOOKED UPON AS POTENTIAL INHERITORS OF THEIR LEADERSHIP MANTLES, A GUESSING GAME LIVENED BY RUMORS THAT HUSSEIN ONN WILL RETIRE IN NEXT YEAR OR SO FOR HEALTH REASONS (KL 2012). MORE IMPORTANTLY, IT IS SAID THAT RAZAK WILL LEAD PARTY ONLY THROUGH 1979 ELECTIONS; THUS, A VICE-PRESIDENT ELECTED THIS YEAR WILL HAVE STRONG CLAIM TO NUMBER ONE JOB. NEXT GENERATION OF PARTY LEADERS WILL COME NOT ONLY FROM VICE-PRESIDENTIAL RANKS, BUT ALSO FROM SUPREME COUNCIL; FOR EXAMPLE, STRONG SHOWING BY PRIMARY INDUSTRIES MINISTER MUSA HITAM COULD MAKE HIM PRIME CANDIDATE FOR 1978 PARTY ELECTIONS IN NICK-OF-TIME FOR 1979 GENERAL ELECTIONS.

8. VICE-PRESIDENTS: OF ALL CANDIDATES (REFTEL), HARUN IS CONCEDED FIRST PLACE AND WILL BE IN STRONGEST POSITION TO SUCCEED HUSSEIN ONN OR RAZAK. IN PAST FEW WEEKS, HARUN'S IMAGE HAS BEEN BOOSTED BY UMNO YOUTH SPONSORSHIP OF MUHAMMAD ALI - JOE BUGNER HEAVYWEIGHT TITLE FIGHT JULY 1 WHICH HAS UMNO AND MALAY COMMUNITY IN STATE OF NEAR-ECSTASY. GHAFAR BABA, WITH STRONG GRASSROOTS SUPPORT, IS FAVORED FOR SECOND PLACE, WITH TENGKU RAZALEIGH A DISTANT THIRD. HOWEVER, PARTY WARHORSE AND CONSERVATIVE WING LEADER JAAFAR ALBAR HAS MOUNTED A STRONG SPOILING ACTION; HARUN IS REPORTEDLY PLUGGING HIM AND EDUCATION

MINISTER DR. MAHATHIR BIN MOHAMED AS RUNNING MATES, AND IT IS POSSIBLE THAT RAZAK'S PROTEGE RAZALEIGH AND POSSIBLY GHAFAR MAY BE DEFEATED. HOME AFFAIRS MINISTER GHAZALI SHAFIE AND TRADE AND INDUSTRY MINISTER HAMZAH ABU SAMAH ARE GIVEN LITTLE CHANCE, ALTHOUGH BOTH HAVE BEEN CANVASSING ENERGETICALLY FOR VOTES; PERAK CHIEF MINISTER GHAZALI JAWI IS NON-STARTER. FOR FIRST TIME, DELEGATES WILL VOTE SECRETLY IN ORDER TO FORESTALL BLOCK VOTING, FACTOR WHICH MAKES OUTCOME LESS PREDICTABLE.

9. SUPREME COUNCIL: OVER 100 CANDIDATES (INCLUDING SIX WOMEN) ARE COMPETING FOR 25 COUNCIL SEATS. MOST NOMINEES, HOWEVER, ARE ALONG FOR THE RIDE BECAUSE, AS ONE SENIOR UMNO FIGURE EXPLAINED, IT WOULD BE DISCOURTESY TO SUPPORTERS IN THEIR HOME CONSTITUENCIES NOT TO RUN. GEOGRAPHICAL BALANCE WILL BE IMPORTANT: STRONG JOHORE GROUP, INCLUDING SEVERAL CABINET MINISTERS, WILL COMPETE AGAINST INFLUENTIAL CONFIDENTIAL

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KELANTAN GROUP (RAZALEIGH, INFORMATION AND SPECIAL FUNCTIONS MINISTER TENGKU RITHAUDDEEN, ABDULLAH AHMAD AND OTHERS), WHILE SELANGOR AND PERAK WITH FEW STRONG CANDIDATES OF THEIR OWN ARE SEEN LIKELY TO TIP THE BALANCE EITHER WAY. ALSO, THE NUMBER OF YOUNGER MEN ELECTED WILL BE SIGNIFICANT IN DETERMINING LEADERSHIP 10-15 YEARS HENCE, AND WOMEN'S WING MAY FOR FIRST TIME SUCCEED IN ELECTING TWO OF THEIR NUMBER. OVERALL COMPOSITION OF SUPREME COUNCIL, INCLUDING 10 MEMBERS APPOINTED LATER BY PARTY PRESIDENT, WILL BE IMPORTANT TO FUTURE DIRECTION OF PART AND GOVT POLICIES, AS RAZAK HAS IN PRACTICE REFERRED MAJOR NATIONAL MATTERS TO COUNCIL BEFORE DISCUSSING THEM IN CABINET.

PROGNOSIS

10. VICE-PRESIDENTIAL ELECTIONS AND SUCCESSION QUESTION ARE VITAL TO FUTURE OF PARTY AND COUNTRY. ALLOWING FOR FACT THAT THE AMBITIOUS HARUN HAS BEEN SEEN AS A CHALLENGER TO RAZAK FOR PAST SEVERAL YEARS, RAZAK MAY BE FORCED TO WORK WITH VICE-PRESIDENTS WHO ARE NOT COMPLETELY LOYAL TO HIM, IF NOT HOSTILE. A JAAFAR ALBAR VICTORY, FOR EXAMPLE, COULD PLUNGE UMNO INTO FACTIONAL WARFARE AS IN LATE 1960'S WHEN TUNKU WAS VERY MUCH UNDER SIEGE. WORST PROSPECT WOULD BE BOLT OF FACTIONS FROM PART, BUT UMNO (LIKE U.S. POLITICAL PARTIES) HAS TRADITIONALLY BEEN ABLE TO ACCOMMODATE WIDELY DIVERGENT POLITICAL VIEWPOINTS. NEVERTHELESS, CHALLENGE TO RAZAK TO KEEP HIS PARTY AND ASPIRING PRIME MINISTERS ON MODERATE COURSE OVER NEXT FEW YEARS WILL ASSUREDLY BE GREATER THAN IN PAST.

11. EFFECT OF UPCOMING CONGRESS AND LEADERSHIP ELECTIONS

ON PARTY POLICY WILL BE SUBSTANTIAL. LIBERAL-CONSERVATIVE  
SPLITS, REGIONAL COMPETITION AND GENERATION GAP PROBLEMS  
WILL BE REVEALED IN FULSOME DETAIL AND ONLY A COMPLETELY  
INSENSITIVE NATIONAL LEADER WOULD BE FOOLISH ENOUGH TO  
IGNORE VOICE OF RANK-AND-FILE. ALSO, NON-MALAYS -- BOTH  
ALLIED WITH THE GOVT AND IN OPPOSITION -- WILL BE READING  
CONGRESS RESULTS IN LIGHT OF MULTIRACIAL POLITICS, NATIONAL  
FRONT VIABILITY, AND TOLERATION OF DISSENT AND YOUTH  
ACTIVISM. AT THIS JUNCTURE, PROGNOSIS IS FOR AN INCREASINGLY  
NATIONALISTIC UMNO LINE, EMERGENCE OF A NUMBER OF STRONG NATIONAL  
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LEADERS (LIKE HARUN) IN THEIR LATE FORTIES, AND POSSIBLY  
MORE RAPID RISE TO TOP OF YOUNGER (AND MOSTLY CAPABLE)  
LEADERS THROUGH ELECTIONS TO SUPREME COUNCIL.  
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## Message Attributes

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